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ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 AID-05 EB-07 CIEP-01 STR-04

OMB-01 CEA-01 COME-00 FRB-03 XMB-02 OPIC-03 LAB-04

SIL-01 SAJ-01 SAM-01 INT-05 /092 W
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FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 6302

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STATE PASS RHATICAN AT TREASURY

E.O. 11652: N/A

TAGS:

SUBJECT: MEDIA IMPACT ON SECRETARY SIMON'S VISIT

SUMMARY: TREASURY SECRETARY WILLIAM SIMON'S THREE DAY VISIT TO ROME GENERATED EXTRAORDINARY OUTPOURING OF MEDIA ATTENTION, DUE LARGELY TO PUBLIC CONSENSUS THAT ITALY AT POLITICAL AND ECONOMIC CROSSROADS AND THAT WHAT US DOES OR DOES NOT DO OF PROFOUND SIGNIFICANCE. NEWSPAPERS CARRIED EXTENSIVE COVERAGE AND COMMENT PRIOR TO AND DURING VISIT. ALL TV AND RADIO NEWSCASTS FOLLOWED VISIT WITH DETAILED COVERAGE, AND RAI-TV FEATURED EXCLUSIVE INTERVIEW WITH SECRETARY ON PRIME EVENING NEWSCASTS. LEFT-ORIENTED MAGAZINE L'EUROPEO CARRIED LONG TWO-PART INTERVIEW WITH SIMON THIS WEEK AND LAST, AND IL SOLE-24 ORE FEATURE ADDITIONAL SEPARATE INTERVIEW FRONT PAGE MARCH 11. COVERAGE AND COMMENTARY STRESSED THAT SECRETARY EMPHASIZED VARIOUS ASSISTANCE MECHANISMS TO ITALY AVAILABLE BUT CONTINGENT OF ITALY TAKING SOUND ECONOMIC MEASURES EVEN IF DIFFICULT POLITICAL DECISIONS INVOLVED. CONSERVATIVE

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PRESS STRESSED SIMON'S OPPOSITION TO PCI. CENTER-LEFT EMPHA-

SIZED ITALY'S FAILURE TO TAKE EFFECTIVE ECONOMIC MEASURES AND INTERPRETED SIMON'S STATEMENTS AS REFUSAL TO HELP UNLESS ITALY TIGHTENS BELTS AND KEEPS PCI OUT OF GOVERNMENT. COMMUNIST PRESS SAYS ITALY SHOULD NOT COUNT ON US AND ESPECIALLY IF PREDICATED ON POLITICAL CONDITIONS AND INTERNAL INTERFERENCE.
END SUMMARY

1. COVERAGE. PRIOR TO SECRETARY'S ARRIVAL, GROWING SPECULATION FOCUSED ON WHETHER HE WAS COMING WITH NEW PROPOSALS TO "SAVE ITALY," ASSISTANCE BASED ON POLITICAL CONDITIONS, OR MERELY FOR ROUTINE ASSESSMENT AND CONSULTATION. EXTENSIVE COMMENTARY ALL MEDIA CONCENTRATED ON THESE ISSUES.

2. DURING HIS STAY, DESPITE ONE DAY NEWSPAPER STRIKE, EXTENT OF COVERAGE AND INTEREST UNSURPASSED BY VISIT ANY OTHER AMERICAN OFFICIAL DURING PAST TWO YEARS. ALL TV AND RADIO NEWSCASTS CARRIED DETAILS OF EACH DAY'S ACTIVITIES. EMBASSY ARRANGED TEN-MINUTE EXCLUSIVE INTERVIEW WITH RAI-TV FEATURED ON PRIME EVENING NEWS SLOTS TUESDAY AND AUGMENTED BY STRAIGHT NEWS COVERAGE. ALL NEWSPAPERS CARRIED FRONT PAGE OR EXTENSIVE INSIDE PAGE DESCRIPTIONS SIMON'S PROGRAM TUESDAY AND THURSDAY. SECRETARY'S WEDNESDAY PRESS CONFERENCE WITH 132 ITALIAN, US, AND THIRD COUNTRY JOURNALISTS ATTENDING, PRODUCED VAST OUTPOURING COVERAGE AND COMMENTARY.

3. MEDIA REACTION. CONSERVATIVE PRESS HIGHLIGHTED SECRETARY'S REFERENCES TO PCI. IL TEMPO FRONT PAGE HEADLINE SAID "ENTRANCE OF PCI IN GOVERNMENT WOULD CHANGE THE US-ITALIAN RELATIONSHIP: SIMON." STORY BY ECONOMIC EDITOR EUGENIO PALMIERI ADDS THAT "SIMON WAS VERY CLEAR ON THIS SUBJECT, PERFECTLY IN LINE WITH WHITE HOUSE POLICY REPEATEDLY STRESSED BY FORD AND KISSINGER." IL RESTO DEL CARLINO SAID, "US WILL NOT ABANDON ITALY IN ITS MOMENT OF NEED, AND THIS FORMAL REASSURANCE WAS GIVEN BY SECRETARY SIMON AT HIS PRESS CONFERENCE...BUT SIMON DID NOT HIDE TWO BASIC CONDITIONS FOR AMERICAN AID: CLEAR-CUT EXCLUSION OF THE COMMUNISTS, AND A POLICY OF ECONOMIC AND PRODUCTIVE RECOVERY."

4. CENTRIST IL GIORNALE SAW "DISAPPOINTMENT AMONG THOSE WHO WERE SURE THAT A SENSATIONAL ANNOUNCEMENT OF AID TO ITALY WAS LIMITED OFFICIAL USE

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GOING TO BE MADE." BUT ABSENCE OF DRAMATIC MEASURES SHOULD NOT HAVE SURPRISED ANYONE FAMILIAR WITH SIMON'S PRIMARY ECONOMIC PREACHMENTS, I.E., "THE MAIN ENEMY IS INFLATION, AND THE MARKET WILL DETERMINE EXCHANGE RATES." DC ORGAN IL POPLO: "THE PRESS CONFERENCE DID NOT OFFER ANY PARTICULAR NOVELTIES ...BUT (SIMON) TALKED OF "SAME KEY CONCEPTS THAT DOMINATE DEBATE ON SERIOUS REMEDIES IN WESTERN COUNTRIES...AT ANY RATE, THE SECRETARY'S GENERAL EVALUATION OF OUR ECONOMIC AND FINAN-

CIAL PROBLEMS IS OPTIMISTIC."

5. CENTER-LEFT (ALDO RIZZO IN LA STAMPA) NOTED "RESULT WAS DISHEARTENING BECAUSE OUR ECONOMIC CONDITION IS DISHEARTENING...SIMON WAS FRANK, DECISIVE, AND DIRECT...AMERICA WILL NOT ABANDON US PROVIDED ITALY MAKES THE GREATEST EFFORT WITH THE STRICTIST ECONOMIC POLICY... SIMON STRESSED THAT IT IS UP TO ITALY TO CHOOSE ITS GOVERNMENT, BUT US RESERVES RIGHT TO RE-ASSESS ITS RELATIONS WITH GOVERNMENT WHICH INCLUDED PCI... IS THIS INTERFERENCE?...ONE RIGHT IS JUXTAPOSED AGAINST ANOTHER ...BUT THE AMERICANS (NOT SIMON, BUT FORD AND KISSINGER), CAN BE BLAMED FOR NOT TAKING INTO CONSIDERATION COMMUNIST EVOLUTION AND MODERATION, BUT ON THE OTHER HAND THE COMMUNISTS CANNOT AND DO NOT IGNORE THE FACT THAT ITALY IS TOTALLY TIED TO THE WEST..."

6. CORRIERE DELLA SERA (DINO FRESCOBALDI) NOTED THAT SIMON MET "SOME REPRESENTATIVES OF THE NEW GENERATION OF POLITICAL LEADERS," SEEING THIS AS A SIGN THAT THE US IS INTERESTED IN A "CHANGE OF GENERATIONS IN ITALIAN POLITICAL LIFE."

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TO SECSTATE WASHDC IMMEDIATE 6303

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STATE PASS RHATICAN AT TREASURY

7. LEFT-SOCIALIST PRESS INTERPRETED SECRETARY'S REMARKS AS EXPRESSION OF CONCERN OVER ITALIAN ECONOMIC SITUATION AND PROXIMITY OF PCI TO GOVERNMENTAL ACCESS. MESSAGGERO SAID THAT WARNING BY TREASURY SECRETARY CONSTITUTES "HINT THAT PCI PARTICIPATION IN GOVERNMENT WOULD PREVENT ITALY'S ACCESS TO CREDIT SOURCES CONTROLLED BY AMERICA." PSI ORGAN AVANTI* OBSERVED "BEHIND HIS CORRECT MANNERS SIMON AND HIS GOVERNMENT ARE STRONGLY CONDITIONING ITALIAN INTERNAL AFFAIRS... THE IMPRESSION ONE GETS IS THAT INTERNATIONAL CAPITALISM IS STRONGLY DETERMINED TO HAMPER ANY POLITICAL PROCESS IN A WESTERN COUNTRY AIMED AT SUPPORTING ECONOMIC...ALTERNATIVES TO CAPITALISTIC INTERESTS."

8. LA REPUBBLICA SAID "SIMON DID NOT SHOW GOI, AT LEAST FOR PRESENT, ANOTHER POTENTIAL SOURCE OF AID BEYOND THE OECD SAFETY NET, YET TO BE RATIFIED...THIS IS BECAUSE, UNLIKE OTHER COUNTRIES, ITALY HAS DONE ALMOST NOTHING TO REMEDY ITS IMBALANCE ...ON THIS MATTER, IT IS LIKELY THAT DIFFERENCES EXIST BETWEEN SIMON AND KISSINGER." ANOTHER ARTICLE SAME PAPER (GIULIO LIMITED OFFICIAL USE

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MAZZOCCHI); IT WAS HOPED THAT SIMON WOULD ARRIVE IN ROME AS A KIND OF SANTA CLAUS WITH MANY DOLLARS IN HIS BASKET. BUT IT WAS FEARED THAT THESE GIFTS WOULD CARRY ECONOMIC AND POLITICAL CONDITIONS. BUT SIMON CONFIRMED THAT THE USG DOES NOT INTEND TO GIVE ITALY EVEN A DOLLAR, EXCEPT WHAT THE OECD MAY PROVIDE...BECAUSE IT IS IMPOSSIBLE TO ASK US TAXPAYERS TO SUPPORT A COUNTRY WHICH HAS MADE FEWER SACRIFICES THAN THE US."

9. COMMUNIST PRESS ECHOED OBSERVATION THAT THOSE WHO EXPECTED A NEW MARSHALL PLAN WERE DISAPPOINTED BUT ADDED IDEA THAT EUROPEAN ECONOMIC WOES DUE AT LEAST PARTLY TO US ECONOMIC POLICIES. PAESE SERA SAW ADMONITION ON PCI AS "CUSTOMARY," AND ADDED THAT SIMON'S ADVICE WOULD MEAN "LOWER SALARIES AND INVESTMENTS AND HIGHER TAXES." PAPER CONCLUDED FAILURE TO GIVE SPECIFIC AID SHOWED LIMITATIONS ON USG BY CONGRESS "LESS AND LESS WILLING TO SUPPORT THE EXECUTIVE'S ADVENTURES." PCI ECONOMIC EXPERT EUGENIO PEGGIO IN PARTY ORGAN L'UNITA' CRITICIZED THOSE "ECONOMIC AND POLITICAL FORCES (WHICH) CONTINUE TO PRESENT THE US AS A FRIENDLY BENEFACTOR...OUR CONCEPT OF INTERNATIONAL COOPERATION IS DIFFERENT FROM THAT OF MINISTER COLOMBO. TO COPPERATE DOES NOT MEAN TO BE CONTINUOUSLY SUBJECTED TO ARROGANCE OF THOSE WHO ARE MORE POWERFUL. IF US REALLY WANTED TO HELP...ALL COUNTRIES NOW IN DIFFICULTY, IT SHOULD END PRESENT POLICY OF PROTECTIONISM AND FORCED INCREASES IN EXPORTS...BUT THE PROBLEM IS NOT 'HELP' FROM US, BUT ACCELERATING GREAT WORK OF RESTORATION AND RENEWAL OF ECONOMY AND SOCIETY...ITALY MUST HAVE MORE FAITH IN ITS OWN EFFORTS." FAR-LEFT MANIFESTO (EXTRAPARLIAMENTARY) REPORTED THAT SIMON'S

MESSAGE WAS "NO" TO THE PCI AND "BELT TIGHTENING FOR ITALY."

10. COMMENT: MANY OBSERVERS COMMENTED HUGE TURNOUT FOR SIMON PRESS CONFERENCE WITH ENTIRE POLITICAL SPECTRUM REPRESENTED. MANY REPORTERS NOTED IN PRINT AND PRIVATELY TO EMBOFFS SECRETARY'S INCISIVE DELIVERY AND ABILITY TO MAKE CLEAR-CUT POINTS WHILE OBSERVING BOUNDS OF DIPLOMATIC CIVILITY.

11. EMBASSY EXTREMELY GRATEFUL TO SECRETARY FOR GIVING SO GENEROUSLY OF HIS TIME FOR MAXIMUM PRESS EXPOSURE AND IMPACT. IN OUR VIEW RESULTS CLEARLY JUSTIFY TIME EXPENDED, SINCE DESPITE SHADES OF INTERPRETATION DEPENDING ON OBSERVER'S VIEW-POINT, ESSENTIAL MESSAGE CAME THROUGH CLEARLY. VOLPE
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Message Attributes

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Disposition Approved on Date:
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